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THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE ATTACHMENT

June 8, 1981

Executive Registry

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MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF DEFENSE

THE SECRETARY OF COMMERCE

THE COUNSELLOR TO THE PRESIDENT

THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

THE DIRECTOR OF CENTRAL INTELLIGENCE

THE UNITED STATES REPRESENTATIVE TO THE

UNITED NATIONS -

THE CHIEF OF STAFF TO THE PRESIDENT

THE DEPUTY CHIEF OF STAFF TO THE PRESIDENT

THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT:

Presidential Decisions

The attached Presidential Directive on Export Control Policy to China was approved by the President at the NSC meeting held on June 4, 1981.

FOR THE PRESIDENT:

Richard V. Allen

Assistant to the President for National Security Affairs

NSC review completed.

SECRET/SENSITIVE ATTACHMENT

B-223

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PRESIDENTIAL DIRECTIVE ON EXPORT CONTROL POLICY

Our strategic interests dictate the preservation of China as an effective counterweight to growing Soviet military power and the strengthening of strategic cooperation with China. Export control policy and practice bears directly on both objectives and must reflect an appreciation of the strategic role China plays in forwarding U.S. interests.

I therefore believe it important that our export control policy support a secure, friendly and modernizing China. This policy should allow the approval of technology to China at significantly higher technical levels than at present, albeit somewhat below those approved for other friendly non-allied countries. While being predisposed toward approval of exports for China, a case-by-case review will continue to minimize national security risks in the special mission areas of nuclear waapons and their delivery systems, electronic and anti-pubmarine warfare, and intelligence gathering.

I also want a licensing policy which procedurally reduces the regulatory burden on business and moves Flicensing cases as expeditiously as possible. Therefore Agencies are encouraged to make maximum use of delegations of authority to Commerce for cases which do not require COCOM review. Commerce should also adhere rigorously to the Export Administration Act provision for construing as approval lack of an agency response after 60 days. As a first step to reach these overall goals, the following technical and procedural guidance are to be followed:

Technical Guidelines

-- predisposition of approval for cases, reviewed on a case-by-case basis, at a technical level approximately twice that provided to the Soviet Union (in computers cases, an example would be an IBM 4341 which has a processing data rate (PDR) of 66).

Procedural Guidelines

- -- delegations of authority from Department of Defense to the Department of Commerce on "national discretion cases", i.e., cases which do not require COCOM review, subject only to expeditious review of end-users.
- -- Department of Defense retains case-by-case review of other cases to evaluate technical risk.

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-- exclusive Department of Defense denials to be
particled/reviewed in Defense at the Under Secretary level.

-- delegations of authority from Department of Energy to Department of Commerce for "national discretion cases," i.e., cases which do not require COCOM review, and specific items above that level to non-nuclear end-users and end-uses.

